17 October 1980

MEMORANDUM FOR THE RECORD

1. In anticipation of NFIB questions, I went to the Security Community Staff for a legislative history of and their observations on DCID 1/19.

- 2. DCID 1/19, issued 6 June 1978, was the result of a 1977 effort at uniform codification of administrative procedures for control of SCI. It was in consonance with SI, TK and policies and practices of the time. These varied on document accountability. For COMINT, a strict accountability was required only for GAMMA material. However, the "appropriate accountability" requirements of the current Executive Order on security classification (EO 11652) were incorporated by reference for the rest of SI. The TK Manual required regular inventories to ensure that proper accountability is maintained. The Manual instructed control officers "to ensure current accountability and control of all materials received, dispatched or reproduced." Departments and agencies took these policy proscriptions to mean that once material was properly logged into an SCI area, and as long as it stayed within that area, no further accountability actions were necessary.
- 3. The DCID was not intended to break new ground. Recognizing ongoing practices and believing them to offer sufficient protection, they were incorporated into DCID 1/19. Section 2e of the DCID states that subsequent to an initial recording process on receipt of SCI documents "no further SCI security accountability controls . . . are necessary within an SCI-accredited area."
- 4. Executive Order 12065, establishing the Security Classification System, was issued on 3 July 1978. It is the sole basis for classifying and controlling national security information including SCI, revoking all previous orders. The Information Security Oversight Office Directive No. 1, implementing that Order, states that "an inventory of TOP SECRET documents shall be made annually." Waivers could be granted by the Director of the Oversight Office for storage

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systems involving large volumes of information under certain security conditions. The Security Committee is not aware of any waiver granted to members of the Intelligence Community nor have you sought such a waiver through the Committee.

- 5. The SECOM staff is of the opinion that the section of DCID 1/19 which is being held up now as your waiver of annual inventories of TOP SECRET SCI material was null and void the day Executive Order 12065 came out.
- 6. Certainly any questions about the applicability and continued viability of DCID 1/19 should have been resolved last January with the PD/NSC-55 statement that "APEX conforms with Executive Order 12065 . . ."
- 7. Therefore, continued reliance by the Community on the letter of the DCID 1/19 exemption appears to have been a calculated risk deliberately taken.
- 8. You might also point out that no one surfaced this matter until you stated that APEX would not be changed for actions or procedures that are required independently of APEX.

Special Assistant to the DCI for Compartmentation